

**North Carolina 911 Board
MINUTES
October 24, 2008**

<u>Members Present</u>	<u>Staff Present</u>	<u>Guest</u>
Jason Barbour (NCNENA)	Ron Adams (ITS)	Valerie Carter (ITS)
Wayne Bowers (NCLM)	Richard Bradford (DOJ)	Jim Clark (Synergem)
Frank Cairon (CMRS) by phone	Marsha Tapler (ITS)	Karen Fink (Verizon Business)
Bill Craigle (CMRS)	Richard Taylor (ITS)	Karlynn O'Shaughnessy (NCGA)
Christi Derreberry (CMRS) by phone		Tonya Pearce (NCNENA)
David Dodd (NCAPCO)		Phillip Penny (IPC/Positron)
Joe Durham (NCACC)		Donna Wright (Richmond Co 911)
Margie Fry (VoIP)		
Jerry Jones (LEC)		
Slayton Stewart (CMRS)		
Jean Thaxton (LEC)		
Bill Willis (Deputy NC CIO)		
<u>Members Absent</u>	<u>Staff Absent</u>	
Robert Cherry (Police Chief)		
Alan Cloninger (Sheriff)		
Dave Corn (LEC)		
Wesley Reid (NCNENA)		
Laura Sykora (LEC)		

Chair's Welcoming Remarks:

Chairman Willis called the meeting to order at 10:04 AM, acknowledging Frank Cairon and Christi Derreberry participating by phone.

Ethics Awareness/Conflict of Interest Statement

Referring to the conflict of interest statement printed on the agenda in accordance with G.S. 138A-15, Chairman Willis asked if any Board members wished to note any potential conflicts of interest in matters coming before the Board today. None were cited.

Approval of Minutes

Chairman Willis asked if any member of the Board wished to offer any corrections or modifications to the minutes of the September 26, 2008 NC 911 Board meeting. Hearing none, Wayne Bowers made a motion to accept the minutes as presented, Bill Craige seconded, and the motion carried unanimously without abstention.

Update on PSAP Fund Distribution and Revenues Received to Date

Richard Taylor reported that collections are on track with projections made at the July special meeting regarding the change in percentage of allocations of revenues to the CMRS and PSAP funds; that the PSAP fund is healthy and beginning to level off. He added that he is still working with the City of Dunn and the Eastern Band of Cherokee Indians to resolve some remaining outstanding funding issues, but anticipates being able to make a recommendation regarding reallocation of the CMRS/PSAP percentages at the next meeting.

Approval of 2008-2009 Budget

Richard Taylor presented both a budget summary and a detailed, line by line explanation of the proposed 2008-2009 Budget. He mentioned that Wesley Reid had requested an additional \$50K be added to pay for printing of educational materials to be passed out to PSAPs and citizens. Joe Durham asked if there was a plan in place regarding use of these funds, and Mr. Taylor replied that there was not, as he had just received the request a couple of days before the meeting, and had not had any opportunity to work on a plan.

Chairman Willis said that if the Board wished to pursue this, he felt having a specific plan in place was critical to ensure that these expenditures would be valuable to users of 911, and that the Board would realize that value for its expenditures. Mr. Durham said that based upon the explanation given, he was not sure what was being accomplished with this \$50K addition to the budget, and would have difficulty supporting it. Jerry Jones said he thought there should at least be a problem statement.

Chairman Willis suggested the budget be considered without the additional \$50K, and asked if anyone had any other concerns or questions about the budget. Wayne Bowers asked how problematic returning the \$50K would be should we decide later to include it, and Chairman Willis said it would be a matter of making a budget amendment. Mr. Bowers made a motion to approve the budget without the \$50K. Joe Durham seconded the motion. The motion carried unanimously without abstention. Chairman Willis said he would ask Mr. Reid to work with staff to refine an education plan that would provide more detail about costs and how it would be executed.

Discussion on PSAP Grant Fund Committee

David Dodd reported that the Grant Fund Committee has met twice, and has come up with proposed Policy and Procedures for Grant Programs language patterned after an example from Virginia. Mr. Dodd pointed out that this proposal sets up two different types of grants; an E9-1-1 Consolidation and Continuity Program that he characterized as dealing more with equipment, and an E9-1-1 Enhancement Program that he characterized as dealing more with services.

Richard Taylor commended the Grant Fund Committee on the work it had performed, observing that it was a complex process. He stressed that the committee had focused on crafting a policy, not something so detailed as a grant application would be. He reminded everyone that the statute dictates that the grant program is established for Primary PSAPs in rural or high cost areas, adding that the committee was using the State's definition of rural areas, and that he believed 85 counties fit that definition. Mr. Dodd said he believed that definition applied to areas with a population density less than 200 people per square mile.

Touching upon the highlights of the document, Mr. Taylor noted that each year the Board Chair would appoint a Grant Committee. He mentioned that several definitions specific to the policy were included in the text, with others drawn from the statute. Moving through the document, he drew attention to the eligibility requirements, the fact that grant periods will be determined in the grant applications rather than the policy, and that multi-year funding could not be guaranteed because of the annual nature of the Board's ability to offer grant funding based upon revenue. Mr. Taylor said that the intent is to have grant applications online, including the capability for applicants to return to an application in progress as many times as necessary. He said that regional initiatives will be promoted as one way to achieve efficient and effective delivery of enhanced 911 service. Jerry Jones asked if that meant PSAPs banding together in a region, and Mr. Taylor said yes. He added that another focus will be consolidation of PSAPs within a county or region.

Mr. Taylor noted that a statement of need will be required as part of the application process, as well as a comprehensive project description, a budget, and a budget narrative. He added that grantees will have to provide an evaluation plan to measure the success of the grant, and a final evaluation. This document also offers detail on the two different types of grants, including the purpose, funding allocation, program concept, goals and objectives, implementation, and outcomes/evaluation of each.

Chairman Willis asked how reporting would be conducted, and committee member Joe Durham replied that it would be a grant condition, that once we reached an agreement with a jurisdiction we would establish the reporting requirement. Chairman Willis said it would seem to him that a reporting requirement should come before the agreement, so that a grantee could submit a reporting plan with the grant application, observing that he wants to know if someone is off base early in the process rather than later. Mr. Durham assured him there will be monitoring and reporting, and Mr. Taylor added that the committee had determined that a reporting requirement would be better defined in the application process than in the policy statement, as different projects will have different time frames.

Jerry Jones asked about the \$3M budgeted for grants in this budget year, and Mr. Taylor advised that the statutory window for transferring money to the grant fund for this budget year had already passed. The statute mandates that the funds be transferred between July 1 and September 30, so we have already missed that deadline for this year. Mr. Jones then asked if we will start FY 2009 with \$3M or \$6M allocated to grants, and Mr. Taylor replied it would be \$3M. He said the hope was to get the program started so that we might begin receiving applications in the February/March time frame and

have them approved before July 1 in order to know whether we will actually need to move the full \$3M after the new fiscal year begins. Mr. Jones asked if the \$3M was a legislative directive, and Mr. Taylor reminded everyone that the statute allows up to \$3M to be transferred into the grant fund during the first three months of the new fiscal year, with the qualification that if more than \$3M is moved the Board must consider reducing the amount of the service charge.

Chairman Willis observed that we do need to get this plan in place so that applicants can respond to it well and appropriately. He added that we're still anticipating the final Intrado report, with the hope that we will be able to glean a number of things from it that will help us determine whether it is appropriate to fund more or less or change fees, etc. He noted there is a set of things before us that we need to get done, and that a reasonable expectation is that we should be able to begin the next budget year with a process in place and maybe even grants in hand to be awarded.

Jason Barbour asked Mr. Taylor if only 85 counties would be eligible, and Richard Bradford replied that the statute, when it speaks to the grant account, limits the use of the funds to rural and high cost areas. He emphasized that it doesn't say "counties", it says "areas". So, he added, there is a question as to what those terms mean. Mr. Bradford observed that within the telecommunications industry those terms have been used for a long time, and he thinks there is a good "working understanding" of what they mean, but there is no statutory definition of what they mean within §62A. Noting that there are actually three different definitions of "rural" contained within North Carolina's statutes, he said that, in effect, the committee found that the "rural" definition used for economic tiers, economic development, etc., of 200 people per square mile would apply. Mr. Bradford added that the FCC looks at MSAs (Metropolitan Statistical Areas) and RSAs (Rural Service Areas), so we would be looking at RSAs as defined in the statutes. He said that as to whether there may be some latitude for moneys to bleed over into areas that are not strictly rural or high cost, that may depend upon consolidation or enhancement that is necessary at some point that affects an area that is rural or high cost. Chairman Willis offered as an example a scenario where services developed within a high density area that also served a low density area could represent an appropriate use of grant funds. Mr. Bradford said that within the area serviced by Wake County, for example, there are areas that meet the "rural" definition, but the Wake County PSAP would not. He noted that the application process will have to delineate that further than this document does; this is a general policy statement. He added that further refinement may be necessary dependent upon grants.

Mr. Barbour asked Mr. Taylor if he felt this task could be accomplished with existing staff, or if he thought additional staff would be necessary. Mr. Taylor replied that at this time he honestly doesn't know. He said that is one of the reasons he wants to get this moving as quickly as possible, so that we can see what is involved. He added he would like to be able to say that current staff could handle the extra load, but there might be enough of an additional workload to require up to another full time person. Mr. Durham observed that it will depend upon the number of applications we receive, noting that reading, reviewing, evaluating, and scoring the applications could demand a lot of time, not to mention grants management, i.e. monitoring and reporting requirements. He added that the Grant Fund Committee advocated creation of a grant committee comprised of 911 Board members that would make funding recommendations back to

the full Board for its consideration, but would not actually perform staff-like functions within the grant process. Mr. Durham speculated that staff would have to devote significant time to this process several times a year.

Chairman Willis said he thought we should target \$3M for grants next fiscal year, recognizing that it might not fund a "huge" number of grants and still get effective use of the money; if you're not careful you're "sprinkling it all over the place". Mr. Durham added, however, that you might get 35 or 40 or 50 applications in for that small amount of money, which will have to be reviewed, evaluated, scored, etc. Chairman Willis likened it to his time teaching when he would get 30 or 40 term papers and have to grade them immediately, and Mr. Durham acknowledged that was a good analogy. Chairman Willis said that we could note that there may be a staffing issue to consider, either in a temporary or more long term context, once we get the grant program going. Mr. Durham speculated that perhaps some of the grant fund could be allocated to administrative expenses, as there are sure to be additional administrative costs associated with this grant program.

Returning to his earlier comment, Mr. Jones asked if the \$3M allocated in this year's budget should remain there, since it will not be spent, and Mr. Taylor agreed that it should be removed, noting that it was in there only because the budget had initially been presented before the September 30 grant funding deadline. He said it will remain on the revenue side of the budget, as that revenue will continue to go into the CMRS side of the fund, but it will simply not be spent this year. Chairman Willis suggested we leave it in the budget as approved for now; we will look at that as we refine the budget going down the rest of the year.

Discussion on US DOT E-911 Grant Program

Richard Taylor reported that DOT finally got its grant program through the National 911 Office; it had been established several years ago, but no appropriations were made. Now money has been made available to fund it, and the National 911 Office through NHTSA has established the guidelines for the grant process, published recently in the Federal Register as an NPRM, and is soliciting comments. Mr. Taylor pointed out that these are proposed rules which have not been approved, and noted how the federal process is similar to and couples with the grant process we are establishing at the State level.

Mr. Taylor observed that this legislation was originally directed toward wireless Phase I and Phase II implementation, noting that during the time between passage of the legislation and appropriation of funding much of that has been accomplished. He said that the legislation has now been amended to include costs associated with migration to an IP enabled network necessary for next generation 911. He also drew attention to the stipulation that money designated for 911 cannot be diverted to another use. Noting that North Carolina has been guilty of that in the past, he pointed out that the restriction is limited to the 180 day period immediately preceding the grant application. He added that this applies equally to the State and to individual PSAPs.

Citing the specific language in the NPRM, Mr. Taylor underscored the fact that funds would be awarded to States, not to individual PSAPs. He noted that PSAPs must submit

applications to the State, and that a State 911 plan must be in place before a State will be considered for funding. In order to qualify for grant funding, the State must designate an E-911 coordinator to administer the program. Mr. Taylor reminded everyone that several years ago the FCC had required the Governor of every State to designate a single point of contact for 911 for FCC issues, and that the Governor had appointed him to that position. He added, however, that this grant application language does not say that the single point of contact is necessarily the same as the FCC single point of contact, but simply "...a single officer or governmental body of the State that is responsible for implementing E-911 services in the State."

Mr. Taylor found it instructive that the definition of E-911 Services in this document clearly states that both wireless Phase I and Phase II enhanced 911 services are necessary components of E-911, underscoring the fact that PSAPs which offer only wireline 911 capability do not meet that qualification.

Referring to the last page of the document, Mr. Taylor drew attention to the eligible use section and the fact that the minimum grant award available to North Carolina is \$971,280.91. He added that if all the funds allocated to States were not requested, additional funding from those unclaimed funds could be distributed to successful applicants. Jason Barbour asked if Mr. Taylor thought the money would come to this Board or the Crime Control and Public Safety Board. Mr. Taylor replied he did not know.

Chairman Willis said it doesn't appear that it would be hard to make the case that the money should go through this Board, although he believes there is some authority that this Board needs to be given in order to meet those definitions. He said it also appears that we should make sure as we develop our grant program that it incorporates the ability to leverage the Federal grant program as an almost \$1M potential enhancement to the \$3M, adding that it seems they would also require essentially the same evaluation processes. He observed that we clearly have the responsibility to establish the State plan which most of these things are based on. He also suggested that we should perform a gap analysis on what we need in terms of authorities, processes, etc., with suggestions for how that can be accomplished.

Guest Tonya Pearce asked how soon the Governor could be expected to make a decision regarding what State authority will administer the program. Chairman Willis observed that it would likely have to wait until after the election, and suggested that in the meantime we should be defining how we think it should be determined, what is needed, etc., and get that all ready to present to the next administration and legislature.

Richard Bradford added that logistically we might want to consider that the funds available through NHTSA could be used as a matching component by interested grant applicants under the Board's grant program, allowing us to leverage the \$3M expected to be out there for next year. He observed that we have a comment period for this NPRM that extends until mid-December, so if there are any comments that Board members wish to file on behalf of the Board, he asked that they be submitted in a timely manner.

Guest Donna Wright asked if there is anything that protects the State entity that receives this money for 911 from the Federal program when it has not been used

appropriately. Richard Bradford replied that the administrative rules that govern the terms and conditions of these grants are set out in CFR Title 49; there is a requirement that the funds would have to be repaid, although there is no penalty. He observed that if this Board received those funds, there would certainly be some potential for liability in the event that the funds were not expended as required by the grant. He suggested there would also be significant reporting requirements and accounting requirements, not all of which are consistent with current practices in local government. Mr. Bradford added that, consistent with what Mr. Durham observed earlier regarding the State grants, these proposed rules are ensuring that 90% of the grant funds are used for substantive purposes, meaning that 10% of the money could be used for grant administration. He noted that the Board as an applicant may have a policy decision to consider as to whether to use some of the money for administrative purposes or not, thereby enhancing potential funding, but that would be a decision that could come later.

Margie Fry asked if a grant is awarded and not all of the funds are used, how does that come back in or how is it reported back to us. Chairman Willis said that regular reports on expenditures and accomplishments should keep us abreast of that; if grantees don't use the money and it's our grant funding, it comes back into our accounting, and if it's the Fed's funding, he's absolutely certain that we would have to return the money to them. He speculated that we would have to provide superior accounting to stay on top of that.

Transitioning to Next Generation 911: A Report from Next Generation Partners

Richard Taylor referred to the document provided in the agenda assembled by the Next Generation Partners. He reminded everyone that this Board is a member of that group, originally conceived by NENA and DOT. He said he wanted to bring this to the Board's attention because this document identifies a lot of the things the Board needs to be looking at in putting together a State plan, including policy and regulatory changes. Mr. Taylor highlighted each of the recommendations in the document: State-Level 9-1-1 Leadership and Coordination; Funding for the NG 9-1-1 System; Establishing State-Wide Emergency Services IP Networks (ESInets); and Addressing Transitional Regulation/ Legislation/Tariff Modifications to Enable Next Generation 9-1-1 Deployment. He noted the impact of each on North Carolina, emphasizing that this entails State-wide *coordination* of 9-1-1, not taking jurisdictional authority away from local governments or telcos.

Update on Educational Plan for PSAPs, Finance Directors, and City/County Managers

Richard Taylor reported that the first of the seminars discussed at the last meeting have been scheduled. He said we have plans through December, with more to be scheduled after the holidays. He observed that although the presentations are available to be read on the website, not having the narrative that accompanies the presentation is a distinct drawback to relying on that alone. Mr. Taylor said response from invitees has been good in some areas, but not so good in others. He said providing a video of one of the presentations on the website had been suggested to him, and Chairman Willis indicated that he would like to do that. Mr. Taylor said he would take steps to accomplish that, so people would be able to hear both the narrative and any discussion or questions that

come up during the presentation. Jason Barbour asked if the complete schedule was available yet, and Mr. Taylor said it was not complete yet, but that what was in the agenda book for today's meeting was available on the website. Mr. Barbour said he was unable to locate it, and Ron Adams said it should be in the agenda books section under Item 9 (after the meeting concluded Mr. Barbour notified Ron that there was no Item 9 in the agenda book, and Ron apologized for the oversight and assured Mr. Barbour he would post it by Monday).

Update on Comprehensive Statewide 911 Plan

Chairman Willis reported that staff had been working diligently with Intrado on the production of the report. He said it has been substantially rewritten, and is much better than it was before in organization and delivery. He said we do have drafts of most of the report, and Mr. Taylor advised he received the latest just last night, which he hasn't had the opportunity to review yet. Chairman Willis observed that there are still some data inconsistencies, adding that he believes that to be a problem with the data as reported, not as gathered, so there is still some clean-up needed. Mr. Taylor reported that he had spent the better part of yesterday afternoon addressing that very issue, and expressed a hope that the latest version will have that corrected. Chairman Willis noted that as with any survey, answers to survey questions may vary depending upon who provided those answers, but he feels that the survey data will still prove very useful. He said that as soon as we receive a draft that we think can stand on its own, it will be circulated to Board members for review and comment. Mr. Taylor said he hopes to have people from Intrado present at the November 21 meeting, and that although there will be some other items that must be addressed at that meeting, he intends to focus primarily on the Statewide Plan.

Update on FCC Activity: NET 911 Improvement Act of 2008

Mr. Taylor reported that the FCC has come out with its NET 911 Improvement Act, which primarily impacts VoIP providers. He said it addresses their access to the native 911 network, as well as their responsibility to provide 911 service to their customers. Margie Fry said that Time Warner Cable is in the process of reviewing it internally, and speculated that perhaps by the next meeting she will be able to address questions that come up.

Adjourn

Chairman Willis noted that administrative reports are available online, and Mr. Taylor interjected that he did have one other item to bring up. He said that he has provided everybody with proposed meeting dates for 2009, and asked that they look at those to see if they have any major conflicts so we may vote on the dates at the November meeting. Chairman Willis apologized to Board members for not having all of the meeting materials available in a more timely manner, and assured them that will not be the case going forward. He said that in the future materials will be available at least one full week before the meeting. He then adjourned the meeting at 11:37.